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**LATHAM & WATKINS** LLP

October 13, 2006

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**VIA ELECTRONIC FILING**

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, DC 20554

Re: *Ex Parte* Submission of ACS of Anchorage, Inc., *Petition of ACS of Anchorage, Inc. Pursuant to Section 10 of the Communications Act of 1934, as amended, for Forbearance from Section 251(c)(3) and 252(d)(1) in the Anchorage LEC Study Area, WC Docket No. 05-281*

Dear Ms. Dortch:

This letter responds to the Wireline Competition Bureau ("WCB") staff requests for information from ACS of Anchorage, Inc. ("ACS") made during a meeting on September 19, 2006 in connection with the above-referenced docket. In response to the staff's request, ACS submits a chart of its most current retail, UNE and wholesale line data, broken down by service and wire center. In addition, ACS (1) clarifies that it does not provide subloops or NIDs on an unbundled basis to CLECs; (2) provides further explanation of how retail and wholesale lines are calculated in both the attached chart and ACS's prior filings; and (3) explains that special access is not a substitute for UNE loops in the Anchorage market.

**Subloops and NIDs**

First, as a point of clarification, ACS does not provide either subloops (apart from the UNE loop<sup>1</sup>) or NIDs to any CLECs on an unbundled basis. As ACS discussed in its Reply Comments, GCI installs its own subloop and NID for customers that it serves using its own

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<sup>1</sup> Subloops are defined as part of the loop, and are therefore necessarily provided when GCI orders UNE loops from ACS. See *Reply Comments of ACS of Anchorage, Inc., In Support of Its Petition for Forbearance from Section 251(c)(3) and 252(d)(1), WC Docket No. 05-281*, at 16 (filed Feb. 23, 2006) ("Reply Comments").

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DLPS or other loop facilities.<sup>2</sup> GCI is the only CLEC in Anchorage that purchases ACS's UNE loop facilities.

**Retail and Wholesale Line Data**

The tables in Attachment 1 hereto contain ACS's retail access lines and the wholesale<sup>3</sup> lines and UNEs provisioned pursuant to interconnection agreements as of August 31, 2006. Each of these three categories is divided into residential and business services and broken down by wire center. In its initial petition, ACS provided rounded figures in describing the competition levels in the Anchorage Study Area at that time.<sup>4</sup> ACS supplied more specific numbers in its Reply Comments.<sup>5</sup>

The current figures show that ACS's retail access lines and the number of wholesale lines and UNEs GCI orders from ACS are continuing to decrease. In fact, GCI ordered approximately 25% fewer loops in August 2006 than in September 2005, when ACS filed its Petition. GCI's Carrier and Area Specific Bulk Bill (CASBB) filing for the period July 20, 2006 through August 19, 2006 is 83,204, which includes GCI's lines served over its own copper, fiber and cable facilities and using ACS's UNE loops (excludes lines served using ACS's wholesale).<sup>6</sup>

The data for both retail and wholesale lines include access lines within the regulated, circuit-switched telephone network. DS1 and higher capacity lines provided to ACS's retail and wholesale customers are converted into voice-grade equivalents and included in the retail line numbers in Attachment 1.<sup>7</sup> The wholesale lines provided on Attachment 1 consist only of DS0 capacity lines. GCI orders primarily DS0 equivalent UNE loops, as described by wire center and service in Attachment 1. The wholesale and DS0 UNE figures reported on Attachment 1 include only circuit-switched access lines and do not include any special access that ACS provides under interstate or intrastate tariffs. GCI orders **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]** DS1 UNE loops from its interconnection agreement with ACS. Each is capable of 24 voice-grade channels, however, ACS is unable to determine the number of lines or

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<sup>2</sup> *Id.* at 17.

<sup>3</sup> The terms "wholesale" and "resale" are used interchangeably.

<sup>4</sup> See, e.g., Statement of Thomas R. Meade, *Petition of ACS of Anchorage, Inc. Pursuant to Section 10 of the Communications Act of 1934, as Amended, for Forbearance from Sections 251(c)(2) and 252(d)(1) in the Anchorage LEC Study Area*, WC Docket No. 05-281 ¶ 9, attached thereto as Exhibit A ("Meade Statement").

<sup>5</sup> See, e.g., Statement of Kenneth L. Sprain, Reply Comments, attached thereto as Exhibit A.

<sup>6</sup> Note that ACS's retail lines in Attachment 1 do not correspond precisely to the CASBB retail line numbers. CASBB numbers, which are an aggregate number and not broken down by wire center, are an average of the number of lines at the beginning and end of the reporting period. The retail line numbers provided in Attachment 1 are as of August 31, 2006.

<sup>7</sup> A DS1 line is included in ACS's retail line numbers as 24 voice-grade equivalents.

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types of services GCI provides to its end users using these DS1 UNE loops. The DS1 UNEs identified here are non-switched lines, but do not include any special access circuits that GCI orders from interstate or intrastate tariffs.

Business lines—in Attachment 1 and in Kenneth Sprain's statement submitted with ACS's Reply Comments<sup>8</sup>—are converted to voice channels and include both lines and end-user customer PBX trunks. IXC trunks and special access are not included in the calculation. ACS determines whether a line is used for business or residential service based on the classification provided by ACS's retail customer. Wholesale and UNE loops are classified as business or residential based on the CLEC's indication of the type of use by its end-user customer at the initial time of purchase. In most cases, ACS does not and cannot easily verify whether GCI is using a UNE in a manner consistent with the business/residential classification that GCI provides when ordering the UNE. Further, ACS cannot determine whether GCI is using a UNE loop to provide service to a single customer, or whether it is attaching its own equipment to multiplex the UNE to serve multiple customers or using several individual UNE loops bundled to provide a higher capacity service.

**Special Access**

As mentioned above, none of the retail line, wholesale or UNE numbers include special access circuits. GCI is the largest long-distance carrier in Alaska. Based on reasonable assumptions about GCI's long-distance business and its public statements regarding its use of ACS's facilities, it is unlikely that GCI is using special access in the Anchorage Study Area as a substitute for UNEs on a significant scale. Attachment 2 charts summarize both interstate and intrastate special access provisioned to GCI as of September 2, 2006.

Other than the fact that GCI orders special access service from particular tariff, ACS cannot be certain whether GCI is using the special access it orders for local or long-distance service. Based on GCI's significant long distance business, ACS believes that most lines GCI orders from ACS's interstate tariff are used for long-distance service.

GCI is purchasing only [BEGIN CONFIDENTIAL] [END CONFIDENTIAL] special access lines from ACS's intrastate tariff. Even accounting for all of the special access—including the lines designated as interstate—that GCI orders, the total purchased is insufficient to constitute an actual alternative to UNEs. Furthermore, GCI's purchase of special access from ACS has dropped significantly in recent years as GCI's local exchange market has grown and as GCI has transitioned to its own network.

GCI is the only CLEC that purchases ACS's intrastate special access in Anchorage. ACS provides interstate special access primarily to GCI and AT&T, and occasionally to Matanuska Telephone Association and WCI Cable, Inc., a provider of long-haul capacity from Alaska to the lower 48 states.

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<sup>8</sup> Statement of Kenneth L. Sprain, Reply Comments ¶ 6, attached thereto as Exhibit A.

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Respectfully submitted,

/s/ Karen Brinkmann

Karen Brinkmann  
Elizabeth R. Park  
*Counsel to Alaska Communications Systems Group,  
Inc. and ACS of Anchorage, Inc.*

Enclosure

cc: Jeremy Miller  
Denise Coca  
Pam Megna  
Tim Stelzig  
Tom Navin  
Julie Veach  
Marcus Maher  
Michelle Carey  
Scott Deutchman  
Scott Bergmann  
Ian Dillner

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**ATTACHMENT 1**

**ACS Access Lines, UNEs, and Wholesale Lines as of August 31, 2006**

[REDACTED]

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**ATTACHMENT 2**

**Special Access Purchased by GCI as of September 2, 2006**

[REDACTED]


**DECLARATION OF DAVID C. EISENBERG**

I, David C. Eisenberg, under penalty of perjury, hereby make the following declarations.

I understand that this Declaration will be submitted to the Federal Communications Commission.

1. I am Senior Vice President – Corporate Strategy, Development and Marketing for Alaska Communications Systems Group, Inc., parent of ACS of Anchorage, Inc. My responsibilities include corporate strategy, development, marketing, corporate communications, regulatory and legislative strategy and program management.

2. I have reviewed the foregoing *Ex Parte* Submission in connection with the Petition of ACS of Anchorage, Inc. Pursuant to Section 10 of the Communications Act of 1934, as amended, for Forbearance from Section 251(c)(3) and 252(d)(1) in the Anchorage LEC Study Area (WC Docket No. 05-281). I certify that the facts set forth in the *Ex Parte* Submission are true and correct to the best of my knowledge.

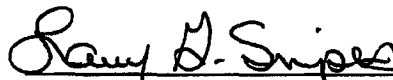
  
\_\_\_\_\_  
David C. Eisenberg

Executed October 13, 2006

**DECLARATION OF LARRY G. SNIPES**

I, Larry G. Snipes, under penalty of perjury, hereby make the following declarations. I understand that this Declaration will be submitted to the Federal Communications Commission.

1. I am Senior Manager of Revenue Requirements at Alaska Communications Systems Group, Inc., parent of ACS of Anchorage, Inc.
2. I have reviewed the foregoing *Ex Parte* Submission in connection with the Petition of ACS of Anchorage, Inc. Pursuant to Section 10 of the Communications Act of 1934, as amended, for Forbearance from Section 251(c)(3) and 252(d)(1) in the Anchorage LEC Study Area (WC Docket No. 05-281). I certify that the facts set forth in the *Ex Parte* Submission are true and correct to the best of my knowledge.

  
Larry G. Snipes


Executed October 13, 2006



**DECLARATION OF JAMES BREWINGTON**

I, James Brewington, under penalty of perjury, hereby make the following declarations. I understand that this Declaration will be submitted to the Federal Communications Commission.

1. I am Manager, Financial Systems & Corporate Reporting at Alaska Communications Systems Group, Inc., parent of ACS of Anchorage, Inc.
2. I have reviewed the foregoing *Ex Parte* Submission in connection with the Petition of ACS of Anchorage, Inc. Pursuant to Section 10 of the Communications Act of 1934, as amended, for Forbearance from Section 251(c)(3) and 252(d)(1) in the Anchorage LEC Study Area (WC Docket No. 05-281). I certify that the facts set forth in the *Ex Parte* Submission are true and correct to the best of my knowledge.

  
James Brewington

Executed October 13, 2006